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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

September 23, 1999

BY HAND

Magalie Roman Salas, Secretary
Federal Communications Commission
445 Twelfth Street, SW -- Room TW-A325
Washington, D.C. 20554

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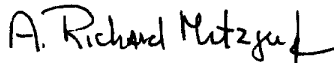
Re: CC Docket No. 98-141

Dear Ms. Salas:

On September 22, 1999, Steven Gorosh, General Counsel of NorthPoint Communications, Inc. and Richard Metzger of Lawler, Metzger, and Milkman, LLC, counsel to NorthPoint, met with Kyle Dixon, Legal Advisor to Commissioner Powell and Sara Whitesell, Legal Advisor to Commissioner Tristani, to discuss NorthPoint's views on issues pending in the above-referenced proceeding. The views expressed by NorthPoint in those meetings are reflected in the enclosed document and in written comments and *ex parte* submissions filed previously by NorthPoint in this proceeding.

Pursuant to section 1.1206(b)(1) of the Commission's rules, 47 C.F.R. §1.1206(b)(1), an original and one copy of this letter and enclosure are being provided to you for inclusion in the public record of the above-referenced proceeding.

Sincerely,


A. Richard Metzger, Jr.

Enclosure

cc: Kyle Dixon
Sara Whitesell

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NorthPoint Communications, Inc.
CC Docket No. 98-141
September 22, 1999

NorthPoint Communications Update

- NorthPoint is a wholesale provider of broadband, last-mile digital subscriber line (DSL) connections that permit ISPs, OSPs, and CLECs to connect end-users to their networks with lightning-fast, always-on connections
- NorthPoint provides DSL services to underserved small businesses and consumers in 24 markets nationwide
 - Atlanta
 - Austin
 - Baltimore
 - Boston
 - Chicago
 - Cleveland
 - Dallas
 - Denver
 - Detroit
 - Houston
 - Los Angeles
 - Miami/Ft. Lauderdale
 - New York
 - Philadelphia
 - Phoenix
 - Pittsburgh
 - Portland
 - Raleigh/Durham
 - San Diego
 - San Francisco
 - Seattle
 - St. Louis
 - Tampa / St. Petersburg
 - Washington D.C.
- NorthPoint has secured collocation space in 1,200 central offices that serve more than 30M residential lines and 4M business lines
- NorthPoint is well-capitalized, having raised \$650M in debt and equity for network buildout and growth
- NorthPoint has built an innovative, state-of-the art network. NorthPoint recently won the SuperQuest award for best local network against ILEC finalists, including US West
- NorthPoint has strong strategic partners including Microsoft, Intel, Tandy (Radio Shack), Cable & Wireless, Frontier, Level 3, ICG, Verio

The Proposed Merger Conditions Are Critical For Residential And Rural Broadband Choice

- NP's deployment, expertise, partners, and capital position it to enter aggressively the residential and rural markets
 - Key strategic partnerships aimed specifically at providing broadband services to residential users (Tandy, Microsoft, Intel)
 - NorthPoint is a pioneer in testing G.Lite (splitterless, consumer focused ADSL) interoperability and deployment in trial with Intel Corporation
 - Breakthrough IDSL product will enable NorthPoint to serve customers located up to 100,000 feet from a central office
 - But, residential and rural competition cannot occur without regulatory relief with respect to price-squeeze and line sharing
- Revised conditions for SBC/AIT merger are a substantial step forward toward the deployment of advanced services to residential consumers

Merger conditions are a “win-win-win” by benefiting consumers with new competitive choices, competitors with an opportunity to compete on fair and equitable terms, and SBC/AIT by rewarding pro-competitive policy and implementation with merger approval

Substantial Benefits From Proposed Merger Conditions

- **Separate Affiliate**
 - Establishes the simple, but critical rule that the separate affiliate must deal at arm's length for the purchase of collocation, loops, and other bottleneck facilities on terms, prices, conditions and intervals *identical* to competitive LECs
- **Line sharing and loop discounts**
 - Immediate mandatory line sharing or, alternatively, interim surrogate pricing for line sharing is critical to effective DSL CLEC entry
- **Reasonably quick collocation implementation**
 - Merger closing conditioned upon third party certification that SBC/AIT has implemented tariffs and interconnection agreements that fulfill the Commission's sound, but to date unimplemented, collocation remedies
- **Improved OSS for Advanced Services**
 - Establishes requirement to implement OSS to support competitive advanced services, EDI implementation
 - Establishes requirement that SBC/AIT provide critical loop makeup information to competitive LECs
- **Supplemental nationwide performance measures and enforcement penalties**
 - Regional templates with significant penalties that can be supplemented by state and federal rules